

# Continuing Investment in K-12 Education

California's K-12 education system is in a state of great change. In 1999, California launched a series of fundamental reforms that are changing the way we teach our children, prepare our teachers, test our progress and hold schools, administrators and districts accountable. Through programs including the Public Schools Accountability Act, the Academic Performance Index, the High School Exit Exam, the Professional Development Institutes, and more, California has set higher standards and higher expectations than ever before. The results of these reform efforts are just beginning to emerge:

- ❖ For the second year in a row, a majority of schools have increased their Academic Performance Index (API) scores, with 89 percent improving in 2000 and 74 percent improving in 2001. Schools continue to move towards attaining the statewide target of an API score of 800; the percentage of schools achieving at least the target score has nearly doubled.
- ❖ Reading scores in the lower grades, where most reforms have been focused, have risen. The number of pupils scoring above the 50<sup>th</sup> percentile has grown by 11 percent in the second grade, 8 percent in the third grade, and 7 percent in the fourth grade.
- ❖ Mathematics scores have increased. The number of pupils scoring above the 50<sup>th</sup> percentile has grown by 15 percent in the second through fourth grades, 10 percent in fifth through eighth grades, and 4 percent in high school.
- ❖ Students with limited English proficiency (LEP) are showing improvement in test scores at a significantly greater rate than all other students, especially in the key areas of mathematics and reading:
  - ❖ The overall number of students in grades 2 through 11 who scored at or above the 50th percentile on the reading assessment grew by 12 percent between 1998 and 2001, while the number of LEP students in these grades who scored at or above the 50th percentile grew by over 42 percent.
  - ❖ On the mathematics assessment, the overall number of students in grades 2 through 11 who scored at or above the 50th percentile grew by an average of 24 percent. The number of LEP students in these grades who scored at or above the 50th percentile, however, grew by more than 50 percent.

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- ❖ 134,000 K-12 teachers will have been trained in the Professional Development Institutes developed by the University of California, and an additional 46,000 in the Math and Reading Professional Development Program.
- ❖ The student to computer ratio has improved from approximately 7:1 to 5:1 since 1998. More than 1,800 schools have received 110,000 new computers. We expect California to be at or near the national average when final current year data become available.

California's budget shortfall in 2002-03 must not derail these reform efforts, and we must not undermine the work of California's teaching force by underfunding schools. Toward that end, the proposed funding levels demonstrate that investment in K-12 education remains the Governor's top priority.

### **Key Components of the 2002-03 Budget**

The 2002-03 Governor's Budget fully funds the Proposition 98 guarantee, and also provides full statutory growth and cost-of-living adjustment (COLA) for K-12 apportionment and categorical programs. In response to the fiscal emergency that limits available resources for new programs, the Governor proposed specific funding reductions in the current year for new programs, expansion of existing programs, and a number of categorical programs. The Governor's Budget focuses all available funding on meeting full growth and COLA in support of core classroom instruction, supplemental instruction, textbook purchases, teacher recruitment, and professional development. Fully funding core program areas is essential to complete the reform efforts and continue the progress made over the last three years.

- ❖ The 2002-03 Budget increases total funding, from all sources, for K-12 education by \$1.1 billion – an increase of 2.1 percent over the current year and a cumulative increase of \$12.9 billion, nearly 32 percent over the 1998 level.
- ❖ Per-pupil spending will increase by \$136, to a total of \$7,058 per pupil, over the current year. This represents a total increase of \$1,302 per pupil, or nearly 23 percent, over the 1998-99 per pupil funding level.
- ❖ Proposition 98 funding exceeded the minimum guarantee in 1999-00 and 2000-01 by more than \$2.2 billion, permanently increasing the calculated base for the guarantee in subsequent years. Including the budget year proposed level of spending, Proposition 98 funding reflects a 30 percent increase over the 1998-99 level.



By committing to full funding for growth and COLA, the Governor's Budget concentrates available funding on core classroom instruction and allows schools to determine how best to meet local needs, whether those needs are to reduce the number of emergency credentialed teachers, provide students with newer standards-aligned textbooks, or augment English Language instruction.

## Key Programs in the 2002-03 Budget

In developing the 2002-03 Budget, the Governor focused resources in those key areas needed to ensure continued academic improvement.

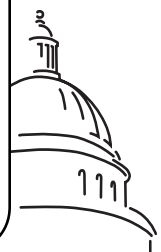
### ACCOUNTABILITY—INTERVENTION AND ASSISTANCE

A cornerstone of the Administration's education reform program has been holding schools, administrators, and school districts accountable for the academic achievement of California's pupils.

The Governor's 2002-03 Budget provides in excess of \$400 million (including federal funds) for assistance to low-performing schools as measured by each school's API. Additional funding for intensive intervention and assistance was approved as part of the 2001 Budget Act, but implementation of the program was delayed and the funding suspended due to fiscal constraints in the current year. The full augmentation of \$197 million is included in the Governor's 2002-03 Budget. Priority in funding will be provided to schools with the lowest API scores. Participating schools receive annual grants of up to \$400 per pupil to implement an action plan focusing on the following essential components: pupil literacy and achievement; quality of staff; parental involvement; and facilities, curriculum, instructional materials, and support services.

### BEFORE AND AFTERSCHOOL PROGRAM EXPANSION

The 2002-03 Budget includes a \$75 million augmentation to expand the Before and After School Learning and Safe Neighborhoods Partnerships Program, providing a total of \$162.8 million for the program. This program provides homework assistance, tutoring, and English Language instruction before and after regular school hours. In addition to the academic component, this expansion will provide a safe learning environment for 79,000 additional school-age children with working parents who would otherwise have to find affordable child care. This increased amount includes \$29.7 million for expansion of grants that were suspended in the current



year and \$45.3 million for additional expansion, \$30 million of which reflects a shift of savings in other programs as a result of proposed changes to California's child care system.

### **INSTRUCTIONAL EQUIPMENT/MATERIALS**

A key component of the Administration's continuing priority investment in education is the ongoing commitment to ensure that students and teachers have access to high quality instructional materials. Including the funding proposed in the 2002-03 Budget, the Governor will have committed nearly \$3 billion since 1999 to ensure that all students have standards-based instructional materials in four core areas: Mathematics, English Language Arts, Science/ Social Science, and History.

Funding is currently allocated to schools to obtain instructional materials and library resources through several programs, each with its own particular administrative requirements. The Governor is proposing to reform this complex system by combining funding for all of those programs within one \$250 million program. The overall intent is to more closely align the allocation of state funding with the planned State textbook adoption cycle. Additionally, funding will increase each year, as specified in proposed legislation. At the end of five years, total funding will be approximately \$600 million for instructional materials, and schools will have a much greater level of flexibility in the use of these funds. Specifically, the realigned program in 2002-03 consists of the following:

- ❖ **Instructional Materials Program**—\$250 million in Proposition 98 funding for schools to purchase standards-aligned textbooks in the core curriculum areas for students in kindergarten and grades 1-12. Once schools have provided standards-aligned textbooks to each pupil, the remaining funds can be used for a variety of instructional materials purposes, including school library and K-4 classroom library materials. These funds will be allocated on a per-pupil enrollment basis.
- ❖ **Textbook Enhancements**—\$200 million in one-time Proposition 98 Reversion Account funding to purchase instructional materials for K-12 schools that certify they will purchase a basic Reading/Language Arts textbook for each pupil by the beginning of the 2002 school year. These funds will be allocated on a per-pupil enrollment basis.
- ❖ **School Library Improvements**—\$100 million in one-time Proposition 98 Reversion Account funding for school districts to purchase school library materials and K-4 classroom library materials. These funds will be allocated on a per-pupil enrollment basis.



- ❖ **Science Laboratory Equipment**—\$75 million in one-time Proposition 98 Reversion Account funding for the purchase of science laboratory equipment and materials to provide standards-based science instruction for grades 7-12. These funds will enhance other efforts by the Administration to develop high standards for science learning, such as the adoption of standards-aligned instructional materials and curriculum frameworks for science instruction.

### **TEACHER RECRUITMENT**

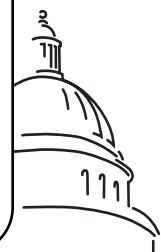
The Governor's Budget for 2002-03 includes more than \$160 million to continue the intensive teacher recruitment effort begun in 1999.

Over the four years of his Administration, through the proposed 2002-03 Budget, the Governor has led the way in establishing a variety of new programs to recruit qualified individuals into the teaching profession and place them in the schools that need them the most. These programs include \$118.7 million for the Teaching As A Priority Block Grant, which provides low-performing schools with funding to offer recruitment incentives to credentialed teachers, and \$9.4 million for the Teacher Recruitment Incentive Program, which works to place credentialed teachers in low-performing schools. Both of these programs are fully funded in the 2002-03 Budget.

The Budget also includes \$25.6 million for the Alternative Certification Program, which allows college graduates to teach full-time while working to earn a teaching credential, and \$7.5 million for the California School Paraprofessional Teacher Training Program, which provides an opportunity for individuals to work as instructional aides while earning a college degree and ultimately a teaching credential. To further assist in recruiting teachers, the Governor signed legislation (Chapter 78, Statutes of 1999) eliminating the initial credential fee for new teachers.

### **TEACHER AND PRINCIPAL TRAINING**

The 2002-03 Budget includes \$7.5 million for the second year of funding for the Principal Training Program, an Administration-sponsored program signed into law in 2001 designed to provide every principal and vice-principal in the state with training in instructional standards and effective school management techniques. Over a three-year period, beginning in 2001-02, the State will spend \$45 million to provide \$3,000 per individual to more than 15,000 school administrators. The Administration has secured a grant from the Gates Foundation that will provide the local match of \$1,000 for each principal and \$500 for each vice-principal.



The Budget includes \$98.9 million for California Professional Development Institutes (PDI), which are now fully in place for reading, English language development for English learners, high school English, elementary mathematics, algebra, and high school mathematics. These Institutes are operated by the University of California (UC) at a variety of higher education institutions around the state. In the first year, 861 contract providers served 43,913 participants who work in 4,227 schools located in every county in the state. Through 2002-03, more than 134,000 teachers will have been served in one of the Institutes. These programs, built on the foundation of the highly acclaimed UC Subject Matter Projects, provide standards-based instruction in addition to follow-up assistance throughout the school year.

The Governor's Budget also includes \$110 million for the Mathematics and Reading Professional Development Program, the intensive professional development program for teachers of math and reading launched by the Administration in 2001. This represents a \$30 million increase over the current-year funding level. This program will provide intensive standards-based training to every teacher by the end of 2005-06 in one or both of these key subject areas, depending on the subjects and grade levels they teach. By the end of 2002-03, the program will have trained 46,000 teachers and 9,000 instructional aides. This new program, based on the curriculum and training methods of the highly successful PDIs, may be conducted by a university or other approved high quality professional development team.

The Governor has also significantly increased funding for several existing professional development and support programs for teachers, providing a total of almost \$1.7 billion during this Administration. Among these are the Instructional Time and Staff Development Reform Program (\$230 million), which allows schools to provide professional development to teachers outside of regular instructional days; the Beginning Teacher Support and Assessment Program (\$88.3 million), which provides mentoring to newly credentialed teachers; and the Peer Assistance and Review Program (\$86.9 million), which provides mentoring to veteran teachers.

The Governor also expanded the National Board for Professional Teaching Standards Certification Incentive Program, which provides \$10,000 bonuses to teachers who earn certification by this prestigious, nationally-recognized organization. An additional \$20,000 per teacher is awarded to recipients who commit to teach in low-performing schools. To date, more than 1,300 teachers have received bonuses, and about 1,500 more teachers are in the Certification program. Total funding included in the Budget for this program is \$10 million.



## General Obligation School Bonds

In November 1998, voters statewide passed Proposition 1A, which provided \$6.7 billion in bond funds for K-12 public school facility needs. Under this Administration, the State has disbursed \$5.8 billion in general obligation bond funds for school facilities needs, with the remainder of funds estimated to be awarded by summer of 2002. This highly successful School Facilities Program funded through Proposition 1A has provided funds in the form of per-pupil grants for school districts to acquire school sites, construct new school facilities, or modernize existing school facilities. In November 2000, the Governor supported and California voters approved Proposition 39, which reduced the voter approval requirement for local school facilities bonds from 67 to 55 percent. Since the passage of Proposition 39, 40 of 46 K-12 school bond measures have passed, resulting in \$2.4 billion in additional local bond funding for schools.

However, significant school facilities challenges remain. To assist and encourage school districts to plan for the provision of matching funds for facilities in the future, this Administration will support general obligation bond measures to authorize \$10 billion in school facilities general obligation bonds to be placed before voters on each of the 2002, 2004, and 2006 statewide election ballots. Each of these proposed bond measures would be crafted to meet both K-12 and higher education needs, with \$8 billion in matching funds for K-12 school facilities, and \$2 billion in funding for higher education facilities.

